COMMITTEE ON LEGISLATIVE RESEARCH OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4302-05

Bill No.: HCS for SCS for SB 854
Subject: Counties; County Government

Type: Original Date: May 8, 2014

Bill Summary: This proposal modifies provisions relating to political subdivisions.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2015	FY 2016	FY 2017	
General Revenue	Up to \$21,000 or (Unknown)	Up to \$21,000 or (Unknown)	Up to \$21,000 or (Unknown)	
Total Estimated Net Effect on General Revenue Fund	Up to \$21,000 or (Unknown)	Up to \$21,000 or (Unknown)	Up to \$21,000 or (Unknown)	

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 29 pages.

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ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2015	FY 2016	FY 2017	
Agriculture Protection Fund	(\$60,269)	(\$70,316)	(\$71,205)	
Blind Person Fund	(Unknown)	(Unknown)	(Unknown)	
PACERS Fund	\$434,025	\$520,830	\$520,830	
School Dist Trust Fund	(Unknown)	(Unknown)	(Unknown)	
Conservation Commission Fund	(Unknown)	(Unknown)	(Unknown)	
Parks and Soil and Water Fund	(Unknown)	(Unknown)	(Unknown)	
Road Fund	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)	
Total Estimated Net Effect on <u>Other</u> State Funds	\$273,756 to (Unknown)	\$350,514 to (Unknown)	\$349,625 to (Unknown)	

ESTIMATED NET EFFECT ON FEDERAL FUNDS					
FUND AFFECTED	FY 2015	FY 2016	FY 2017		
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0		

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ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2015	FY 2016	FY 2017	
Agriculture Protection Fund	1 FTE	1 FTE	1 FTE	
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE	

- ☑ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- □ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS					
FUND AFFECTED FY 2015 FY 2016 FY 2017					
Local Government (Unknown) to \$2,848,875 (Unknown) to \$2,819,321 (Unknown) to \$2,819,321					

FISCAL ANALYSIS

ASSUMPTION

§49.266 - Authorizes county commissions in non-charter county to issue burn bans

Officials at the **Department of Natural Resources**, the **Department of Public Safety's Division of Fire Safety** and the **Department of Agriculture** each assume no fiscal impact to their respective agencies from this proposal.

In response to similar legislation (SB 672), officials at the **Joint Committee on Administrative Rules** assumed no fiscal impact from this proposal.

In response to similar legislation (SB 672), officials at the **Department of Conservation** assumed no fiscal impact from this proposal.

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<u>ASSUMPTION</u> (continued)

In response to similar legislation (SB 672), officials at **St. Louis County**, the **St. Louis County Board of Election Commission** and the **Platte County Board of Election Commission** each assumed no fiscal impact to their respective organizations from this proposal.

Officials at **Cole County** assumed no fiscal impact from this proposal.

§50.565 - Specific purposes for moneys used in the County Law Enforcement Restitution Fund

Officials at the **Office of Prosecution Services** assume no fiscal impact from this proposal.

Officials at Cole County assume no fiscal impact from this proposal.

In response to similar legislation (HB 1798), officials at the St. Louis County Board of Election Commission, the Platte County Board of Elections Commission, St. Francois County, the City of Columbia, St. Louis County, the Cole County Sheriff's Department and the Springfield Police Department each assumed no fiscal impact to their respective organizations from this proposal.

Officials at Cass County responded to **Oversight's** request, however they did not provide us with a response as to fiscal impact.

§§50.660 and 50.783 - Modifies provisions for county purchases

In response to a previous version, officials at **Christian County** assumed no fiscal impact from this proposal. This proposal would actually save the County money by reducing the amount of advertising in the newspaper.

Officials at Boone County and Greene County did not respond to **Oversight's** request for fiscal impact.

§§56.807 and 488.026 - Modifies provisions related to Missouri Prosecuting Attorneys and Circuit Attorney's Retirement System

Officials from the **Prosecuting and Circuit Attorneys' Retirement System (PACARS)** stated that originally a surcharge for many traffic violations, which were not resolved at the Fine Collection Center (FCC), was enacted to help fund PACARS. All counties are now required by the Supreme Court rule to use the FCC, which eliminates the surcharge revenue. This proposal

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ASSUMPTION (continued)

restores the original intent and effect of the surcharge by restoring the lost funding.

Furthermore, the proposal addresses the fact that many counties are electing to make their Prosecuting Attorney a full time position in accordance with Section 56.363, RSMo. This election, once made, has the effect of increasing the pay of the prosecuting attorney position, and substantially increasing the retirement benefit as well as the required county contribution to PACARS. Several of the former prosecutors, vested in the old "part-time" benefit, have been reelected as prosecuting attorney after a hiatus of several years during which the county has elected to make the position full-time. Then, after a few years, without the requirement to vest again, the retirement benefit increases from as low as \$7,560 per year to about \$60,000 per year under the existing language of Chapter 56, RSMo. The original monies paid in do not support the new retirement benefit. The provisions of this proposal address the situation by requiring a new vesting period.

Officials from the **Joint Committee on Public Employee Retirement** assumed the legislation primarily addresses the issues of: modifying the funding mechanism associated with the PACARS, requiring prosecutors in full-time positions to be considered full-time for retirement benefit purposes, addressing part-time and full-time service credit, prohibiting certain service transfers until vested status, and excluding PACARS from the 80% funding requirement to enact new benefit enhancements.

Due to the multiple provisions addressed in this legislation, such legislation may constitute a "substantial proposed change" in future plan benefits as defined in Section 105.660(10), RSMo. It is impossible to accurately determine the fiscal impact of this proposed legislation without an actuarial costs statement prepared in accordance with Section 105.660, RSMo, or affected plan analysis.

In response to similar legislation (SB 672), officials from the **Office of the State Courts Administrator** stated that the above sections of the proposal would allow a \$4 surcharge for the PACARS Fund to be assessed and against persons who pled and paid a fine through the fine collection center.

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ASSUMPTION (continued)

Based on data for the past five years, FY 09 through FY 13, we assume that the average is approximately 130,207 fine collection center cases on which this \$4 surcharge could be applied. We anticipate the revenue from the surcharge would be approximately \$520,830 in any given year.

FY 09	120,507
FY 10	120,443
FY 11	127,663
FY 12	144,130
FY 13	138,325
Total	651,038
Average	130,207

Oversight assumes this proposal will modify the county contribution to PACARS. The legislation proposes a variable county contribution tied to the PACARS funded ratio:

Funded Ratio	County Contribution
120% and higher	No monthly sum transmitted
Greater than 110% to less than 120%	Monthly sum reduced by 50%
90% to 110%	Standard monthly sum transmitted
80% to less than 90%	Monthly sum increased by 50%
Less than 80%	Monthly sum increased by 100%

The PACARS actuarial value, as of July 1, 2012, which is most recent, was 86%. According to the proposal, the counties will each have an increased contribution of 50%.

According to Section 56.807, RSMo, the current monthly county contributions are as follows:

1st Class: \$646 2nd Class: \$271 3rd Class: \$187 4th Class: \$187

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ASSUMPTION (continued)

Oversight assumes based on current actuarial value this would change their contributions to:

 1st Class: \$969
 Increase of: \$323

 2nd Class: \$407
 Increase of: \$136

 3rd Class: \$281
 Increase of: \$94

 4th Class: \$281
 Increase of: \$94

Oversight assumes that the increased cost to counties would create a negative fiscal impact on local governments. There are 17 first class counties, 4 second class counties, 89 third class counties, and 4 fourth class counties in Missouri. The increased cost to local governments would be (\$14,777) per month or (\$177,324) annually, if the funded ratio remains between 80% and 90%.

In response to similar legislation (SB 672), officials at the **City of Columbia** and the **St. Louis County** each assumed no fiscal impact to their respective organizations from this proposal.

§67.281 - Installation of Fire Sprinklers

Officials at the **Department of Economic Development** and the **Department of Public Safety's Division of Fire Safety** each assumed no fiscal impact to their respective agencies from this proposal.

In response to similar legislation (SB 672), officials at the **City of Columbia** and the **St. Louis County** each assumed no fiscal impact to their respective organizations from this proposal.

§67.320 - Modifies provisions of law regarding judicial personnel

In response to similar legislation (SB 614), officials at the **Office of the State Courts Administrator** assumed no fiscal impact from this proposal.

Officials at the St. Louis City Circuit Clerk's Office and Jefferson County did not respond to **Oversight's** request for fiscal impact.

§67.585, RSMo. - Clay County Recreation and Community Center

This provision would authorize a 0.5 percent sales tax in Clay county through the creation of a recreational and community center district to be used for new and existing community centers.

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ASSUMPTION (continued)

Officials from **Clay County** did not respond to our request for information on similar language in HB 2192 LR 6017-03.

Officials from the **Office of Administration - Division of Budget and Planning (BAP)** assumes this proposal would allow the Liberty School District to request voter approval for a 0.5-cent sales tax to fund the construction of a new community center. BAP officials noted the Department of Revenue (DOR) does not provide taxable sales data by school district, but stated most recent DOR report shows taxable sales for the City of Liberty were \$412.8 million in 2013. BAP officials estimated a 0.5-cent tax on those sales would generate \$2.1 million annually, but stated it is likely the boundaries of the school district differ from those of the City, and noted Total State Revenues would increase to the extent DOR retains a 1% collection fee on the additional sales tax revenues.

In response to similar legislation (SB 693), officials from the **University of Missouri** - **Economic and Policy Analysis Research Center (EPARC)** assumed similar language in HB 2192 LR 6017-03 would, if enacted, authorize a .5 percent sales tax in Clay County through the creation of a recreational and community center district to be used for new and existing community centers. This 0.5 percent sales tax could not be imposed unless it is approved by Clay County voters. Since the 0.5 percent sales could not be imposed until it is approved by the voters of Clay County, the initial enactment of this bill would have no impact. However, if Clay County voters approve the sales tax it is anticipated that it would generate the same amount of revenue as their current county sales tax which is also imposed at a rate of 0.5 percent.

EPARC officials stated their records indicate the Clay County sales tax, imposed at 0.5 percent, generated an average of \$14,525,039.78 in collections over the last three years. EPARC officials assumed the sales tax authorized in this bill would generate identical collections if approved by Clay County voters.

If the voters in the Clay County School District approve this proposed sales tax, the State of Missouri would retain 1% of revenues as a collection fee. Therefore, if the sales tax is approved by Clay County voters, the estimated impact on state revenues would be an increase of \$145,250 from the 1% collection fee.

In response to similar legislation (SB 693), officials from the **Department of Revenue (DOR)** assumed similar language in HB 2192 LR 6017-03 would require computer programming changes to the sales tax program, and provided an estimate of the IT cost of \$4,586 for 168 hours of programming to make changes to DOR systems.

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<u>ASSUMPTION</u> (continued)

Oversight assumes OA - ITSD (DOR) is provided with core funding to handle a certain amount of activity each year. Oversight assumes OA - ITSD (DOR) could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OA - ITSD (DOR) could request funding through the appropriation process.

DOR officials did not include an estimate of administrative cost to implement this proposal, and **Oversight** assumes any administrative cost would be minimal and could be absorbed with existing resources.

In response to similar legislation (SB 693), officials from the **Office of the Secretary of State** assumed there would be no fiscal impact from similar language in HB 2192 LR 6017-03.

Oversight notes this proposal would allow a sales tax to be levied at no more than 0.5%, and assumes this proposal would limit the sales tax to the area included in the school district boundaries and not the full county. Therefore, Oversight is not able to determine what the actual tax rate would be if enacted by Clay County and approved by the voters in the school district or how much sales tax would be collected within the school district boundaries.

Therefore, **Oversight** will show the impact as \$0 (sales tax not implemented) or up to the estimate provided by BAP. If the sales tax is enacted, the Department of Revenue would receive a 1% collection fee. Oversight will show the impact to General Revenue of \$0 (sales tax not implemented) up to the estimate provided by BAP.

§71.950 - Municipal Law Enforcement Restitution Fund

Oversight assumes this is permissive in nature and would have no local fiscal impact without action by the governing body. Oversight will reflect a \$0 impact to Local Political Subdivisions.

§72.401 - Annexation of Property

In response to similar legislation (HB 1667), officials at the **Kansas City Board of Election Commission**, the **St. Louis County Board of Election Commission**, the **Platte County Board of Election Commission**, the **City of Columbia** and the **City of Jefferson** each assumed no fiscal impact to their respective organizations from this proposal.

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<u>ASSUMPTION</u> (continued)

§77.030 - Division of cities into wards

In response to similar legislation (SB 672), officials at the **City of Columbia** and the **St. Louis County** each assumed no fiscal impact to their respective organizations from this proposal.

Officials at the Office of the Secretary of State did not respond to **Oversight's** request for fiscal impact.

§79.050 - Elective officers

In response to similar legislation (SB 672), officials at the **City of Columbia** and the **St. Louis County** each assumed no fiscal impact to their respective organizations from this proposal.

§94.270 - License fees on hotels or motels for 4th class cities with a county charter

Oversight notes this provision permits certain cities and certain counties the ability to collect fees on hotels or motels for 4th class cities with a county charter.

Oversight assumes the proposal permits the city of Edmundson to collect or levy a license fee on hotels or motels in an amount in excess of thirteen dollars and fifty cents per room per year. Current law allows a license fee of up to \$27 per room per year.

For fiscal note purposes only, **Oversight** will assign no direct fiscal impact to the city of Edmundson since the proposal is permissive and dependent on an action by the governing body.

The cities of Edmundson did not respond to Oversight's request for fiscal impact.

§99.845, RSMo - Tax Increment Financing

Changes to this provision would exclude county sales taxes for emergency services levied under Section 67.700, RSMo, from the allocation of tax revenues in a redevelopment project area.

Officials at the **Department of Economic Development** assume no fiscal impact from this proposal.

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ASSUMPTION (continued)

In response to similar legislation (SB 693), officials from the **St. Louis County**, the **City of Columbia**, the **City of Kansas City** and the **City of Jefferson** assumed there would be no fiscal impact to their organizations from similar language in HB 1504 LR 5461-01.

Officials from **Cole County** assumed no impact from similar language in HB 1504 LR 5461-01; however, county officials stated it is unclear whether this addition would apply to all counties or just that charter county with a population greater than 600,000 but less than 700,000. If it would apply to all counties, Cole County would have a small positive fiscal impact. For 2013, Cole County would have saved \$841 due to not paying Section 67.700 tax revenues. In the future, positive impact would likely improve because another TIF project is getting off the ground.

Officials from the **Department of Revenue** and the **State Tax Commission** did not respond to our request for information on respond to our request for information similar language in HB 1504 LR 5461-01.

Oversight assumes this provision relates to the allocation of tax revenues among local government organizations and would have no net fiscal impact.

§105.935 - Department of Corrections employee who has accrued overtime hours

Officials from the **Office of Administration - Division of Personnel** defer to the Department of Corrections.

Officials from the **Department of Corrections (DOC)** state this bill permits any DOC employee classified as corrections officer I or a corrections officer II who has accrued overtime hours to use those hours as compensatory leave time. The new language in subsection 4 should have \$0 to minimal fiscal impact on the Department of Corrections.

The first part of the second sentence, "Compensatory time shall be considered accrued upon completion of time worked in excess of such employee's normal assigned shift,..." reflects the recent ruling by the Western District in Missouri Corrections Officers Association v. Missouri Department of Corrections, WD 75418, which held in essence that a corrections officer's compensatory time accrues at the end of the shift in which he has worked excess time, and not at the end of the workweek. The Department is already aware of the need to modify our procedures as they are affected by the court case. The Department has changed the way it manages compensatory time in a manner that is compatible with the court case and has not seen any appreciable increase in the accrual of compensatory time. Therefore, we believe that this

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<u>ASSUMPTION</u> (continued)

legislation would not lead to any significant accrual of additional compensatory time and should have \$0 to minimal impact on the Department.

Officials at the **Department of Mental Health** assume no fiscal impact from this proposal.

In response to similar legislation (HB 1090), officials from the **Department of Social Services** assumed the proposal would not fiscally impact their agency.

In response to similar legislation (HB 1090), officials from the **Missouri Veterans Commission** (VET) stated if this bill pertains to any nonexempt state employees, please note that the VET is required to provide nursing services to ensure that there is a minimum direct care nurse staffing per patient per 24 hours, 7 days per week. The fiscal impact for 1,100 FTE (direct care staff) for 4 hours per week for 52 weeks (at an average of \$21.20 per hour) would be \$4.24 million. The VET, however, states this language appears to have more emphasis on DOC employees.

Oversight will assume the proposal pertains only to the Department of Corrections and therefore, would not fiscally impact other state agencies.

§135.980 - Public Financial Incentive

Officials at the **Department of Economic Development** assume no fiscal impact from this proposal.

In response to similar legislation (SB 672), officials at the **Department of Revenue** assumed no fiscal impact from this proposal.

Officials at the State Tax Commission did not respond to **Oversight's** request for fiscal impact.

In response to similar legislation (SB 672), officials at the **City of Columbia** and **St. Louis County** each assumed no fiscal impact to their respective organizations from this proposal.

§137.100, RSMo - Tax Exemption for Property Used for Charitable Purposes

Changes to this provision would provide a specific charitable property exemption from property taxation for homes for the aged operated by an organization that is exempt from taxation under the Internal Revenue Code.

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<u>ASSUMPTION</u> (continued)

Officials from the **Office of Administration - Division of Budget and Planning** assume this provision would exempt homes for the aged that are operated by tax exempt organizations from property taxes. This proposal would not directly impact general revenues; however, to the extent that property tax payment growth is slowed by this proposal, Blind Pension Fund revenue growth may be slowed.

Officials at the **Office of the State Auditor** assume no fiscal impact from this proposal.

In response to similar legislation (SB 693), officials from the **Department of Revenue**, and the **State Tax Commission** assumed similar language in HB 2035 LR 6225-01 would have no fiscal impact to their organizations.

In response to similar legislation (SB 693), officials from the **City of Kansas City** stated they were unable to estimate the potential revenue loss from this proposed property tax exemption.

In response to similar legislation (SB 693), officials from the **Special School District of St. Louis County** assumed this proposed property tax exemption would result in substantial revenue reductions to their organization.

Officials from the Office of the St. Louis County Assessor, the Office of the City of St. Louis Assessor, and the Office of the Jackson County Assessor did not respond to our request for information on similar language in HB 2035 LR 6225-01.

In response to similar legislation (SB 693), officials from the **State Tax Commission (TAX)** provided the following information:

The current property tax exemption is based on the operation of the individual property - a facility operated as a charity would qualify for a property tax exemption but a facility which is operated as a for-profit organization would not qualify. TAX officials stated they provide an exemption analysis form for local assessors to use in determining whether a nursing home would qualify for the current property tax exemption.

This proposed language would provide a property tax exemption if the ownership entity meets an IRS income tax exemption standard.

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<u>ASSUMPTION</u> (continued)

Oversight assumes this provision would likely result in a property tax exemption for significantly more facilities than is currently the case, and will indicate an unknown revenue reduction for local governments and the Blind Pension Fund. Oversight notes this provision could affect taxes currently paid under protest or otherwise in dispute and will indicate a fiscal impact for FY 2015, FY 2016, and FY 2017.

§144.1030, RSMo. - Sales Tax Exemption for Certain Fees at a Multi-Use Arena

Officials from the **Office of Administration - Division of Budget and Planning (BAP)** noted this provision would provide that the amount paid for right of first refusal for tickets at the Kansas City Sprint Center would be exempt from sales taxes. BAP officials assume this would reduce Total State Revenues, including those for schools, and deferred to the Department of Revenue for an estimate of the impact.

In response to similar legislation (SB 693), officials from the **Department of Revenue (DOR)** noted in 2012, sales from commercial sports reported sales of \$287,624,234.49, and stated sales for the first opportunity to purchase or decline tickets are reported within these sales. DOR officials stated they could not determine how much of the sales reported are from such sales. Exempting these sales could result in a loss of revenue by less than \$12.2 million annually.

Officials at the **Department of Conservation** assume an unknown cost from this proposal.

In response to similar legislation (SB 693), officials from the **City of Kansas City** assumed their organization would lose substantial amounts of revenue from the proposed sales tax exemption.

Oversight assumes there would be a reduction in revenues for the General Revenue Fund and the other state funds which receive sales taxes, and for local governments if this provision was implemented; however, Oversight has no information as to the number or amount of such transactions and will indicate an unknown revenue reduction for those funds and entities from this proposed sales tax exemption.

§160.522 - School districts may include the data from a charter school

Officials at the **Department of Elementary and Secondary Education** assume no fiscal impact from this proposal.

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<u>ASSUMPTION</u> (continued)

§190.275 - "First Informer Broadcasters Act"

Officials from the **Department of Public Safety - Missouri Highway Patrol** and the **State Emergency Management Agency** each assume the proposal would not fiscally impact their respective agencies.

§192.310 - City of St. Charles to establish and maintain a local health department

In response to similar legislation (SB 672), officials at **St. Charles County** estimated the fiscal impact of this proposal to be unknown. The County has no information as to the City's intentions should this legislation be passed into law.

Officials at the **Department of Health and Senior Services** assumed no fiscal impact from this proposal.

In response to similar legislation (SB 672), officials at the **City of St. Charles** assumed no fiscal impact from this proposal.

Oversight assumes this proposal to be permissive and will show a cost of \$0 or (Unknown) for Local Political Subdivisions.

§249.424 - Allows certain sewer districts to seek voter approval of a fee for a lateral sewer service line repair program

In response to similar legislation (SB 581), officials at the **Platte County Board of Election Commission** assumed no fiscal impact from this proposal. However, each of their sewer districts could incur costs up to approximately \$9,000 for related election expenses.

Officials at the **Department of Economic Development** and **the Department of Natural Resources** each assume no fiscal impact to their respective agencies from this proposal.

In response to similar legislation (SB 581), officials at the **Office of the Secretary of State** assumed no fiscal impact to their agency from this proposal.

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<u>ASSUMPTION</u> (continued)

In response to similar legislation (SB 581), officials at the City of Kansas City, the City of Columbia, the Kansas City Board of Election Commission, the St. Louis County Board of Election Commission and the Metropolitan St. Louis Sewer District each assumed no fiscal impact to their respective organizations from this proposal.

Oversight assumes this proposal is permissive in nature and would have no local fiscal impact without action by the governing body and approved by the majority of voters. Therefore, Oversight will reflect a \$0 impact to Local Political Subdivisions.

§§262.960, 262.962 and 348.407 - Establishes the Farm-to-School Act

Officials from the **Department of Agriculture (AGR)** assumes this proposal would require one new Marketing Specialist II/III, related equipment, materials, and travel.

AGR assumes the position will be required to deliver the new scope of work for farm-to-school outreach detailed throughout the proposal.

AGR assumes this position will be incorporated into the existing Agri-Missouri program and all other costs would be absorbed with existing appropriation and funding.

Oversight assumes this is a new program requiring AGR to designate an employee to administer and monitor the farm-to-school program and serve as a liaison between farmers and schools.

Oversight assumes this proposal will require 1 additional FTE paid from the Agriculture Protection Fund for AGR.

Officials from the **Department of Elementary and Secondary Education (DESE)** assumed AGR is responsible to designate an employee, administer, and monitor the farm-to-school program and serve as a liaison between farmers and schools. DESE would provide professional consultation and staff support for this program

DESE assumes a taskforce would be established with DESE as a participant at the scheduled meetings.

DESE does not anticipate a direct fiscal impact from this proposal.

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ASSUMPTION (continued)

Oversight assumes this proposal allows local school districts to incorporate locally grown agricultural products into their cafeteria offerings, salad bars, and vending machines.

Oversight assumes this proposal would have no direct fiscal impact on local school districts

Officials at the **Department of Social Services** assume no fiscal impact from this proposal.

Officials at the **Department of Health and Senior Services** assume no fiscal impact from this proposal.

Officials at the **Office of Administration** assume no fiscal impact from this proposal.

In response to similar legislation (HB 2088), officials from the **University of Missouri** assumed the proposal would not fiscally impact their agency.

§304.190 - Changes the laws regarding motor vehicle height and weight limits

Officials from the **Department of Public Safety - Missouri Highway Patrol** assumed the proposal will have no fiscal impact on their organization.

In response to similar legislation (HB 2163), officials from the **City of Columbia** assumed area described in the bill appears to start at the City of Columbia's southern city limits, go north to Highway WW and then east to Route J, putting a potential destination in the Mark Twain National Forest on the Callaway County side.

Columbia Regional Airport, owned and operated by the City, is located in that general area. If, for some reason, this puts heavier trucks on the airport access road, the City would have additional road maintenance costs from wear on pavement, shoulders and possible damage to adjoining right-of-way.

Officials from the **Department of Transportation (DHT)** assumes an unknown negative impact to the Road Fund from the increased cost of additional wear and tear to the highways and bridges.

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ASSUMPTION (continued)

Oversight will estimate a cost to the Road Fund and the Local Political Subdivisions of "(Unknown greater than \$100,000)", since there is no way to quantify the dollar amount of additional wear and tear to the highways and bridges for additional maintenance.

Section 321.015 RSMo. - Fire District Directors

Officials at Cole County assume no fiscal impact from this proposal.

In response to similar language in HB 2116, officials from the Office of the Secretary of State, St. Francois County, St. Louis County, the City of Columbia, the Central County Fire and Rescue District, the Kansas City Election Board, the Platte County Board of Elections, and the St. Louis County Directors of Elections assumed this proposal would have no fiscal impact on their organizations.

Oversight received no other response to these provisions, and assumes the provisions would have no impact for fiscal note purposes.

§§321.130 & 321.210 - Increase in filing fee for director of fire protection district board

Changes to these provisions would increase the filing fee for election to the position of director of a fire protection district board.

Officials at **Cole County** assume no fiscal impact from this proposal.

In response to similar legislation (SB 672), officials from the **Office of the Secretary of State**, **St. Francois County**, **St. Louis County**, the **City of Columbia**, the **Central County Fire and Rescue District** and the **Kansas City Election Board** each assumed this proposal would have no fiscal impact on their organizations.

In response to similar legislation (SB 672), officials at the **Platte County Board of Election Commission** and the **St. Louis County Board of Election Commission** each assumed no fiscal impact to their respective organizations from this proposal.

Oversight received no other response to these provisions, and assumes the provisions would have no impact for fiscal note purposes.

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<u>ASSUMPTION</u> (continued)

§321.322 - Fire protection district annexation procedures for the City of Harrisonville

Officials at the **Department of Public Safety - Division of Fire Safety** assumed no fiscal impact from this proposal.

In response to similar legislation (SB 672), officials at the **State Tax Commission** assumed no fiscal impact from this proposal.

Officials at the City of Harrisonville and Cass County did not respond to **Oversight's** request for fiscal impact.

§407.1610 - Asphalt roofing shingles

In response to similar legislation (SB 672), officials at the **Office of the State Courts Administrator** assumed no fiscal impact from this proposal.

In response to similar legislation (SB 672), officials at the **City of Columbia** and **St. Louis County** each assumed no fiscal impact to their respective organizations from this proposal.

§488.2235 - Allows Kansas City to impose an additional five dollars in court costs

Officials at the **Office of the State Courts Administrator** assumed the proposed legislation allows Kansas City to impose an additional five dollars in court costs for each municipal ordinance violation case for the restoration, maintenance, and upkeep of the municipal courthouse. During FY 2013, there were 199,329 municipal ordinance violations (1,048 alcohol/drug, 138,083 other traffic and 30,198 non-traffic) that may be eligible. Based on the \$5 court cost for each violation, the projected annual increase would be \$996,645 to unknown.

In response to similar legislation (HB 1738), officials at the **City of Kansas City** assume this would provide annual revenue in the amount of \$309,000 from this proposal.

Oversight will reflect in the fiscal note the numbers provided by the Office of the State Courts Administrator.

Officials at Clay County and Jackson County did not respond to **Oversight's** request for fiscal impact.

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<u>ASSUMPTION</u> (continued)

§§512.180, 534.060, 534.350, 534.360, 534.380, 535.030, 535.110, 535.160, 535.170, 535.200, 535.210 - Modifies appellate procedures in landlord tenant actions

In response to a similar legislation (HB 1410), officials at the **Office of the Attorney General** assumed that any potential costs arising from this proposal could be absorbed with existing resources.

Officials at the **Office of Prosecution Services** assume no fiscal impact from this proposal.

In response to similar legislation (HB 1410), officials at the **Office of the State Public Defender** and the **Office of the State Courts Administrator** each assumed no fiscal impact to their respective agencies from this proposal.

In response to similar legislation (HB 1410), officials at the **Springfield Police Department** assumed no fiscal impact from this proposal.

In response to similar legislation (HB 1410), officials at the **Office of Sheriff of Jackson County**, the **Columbia Police Department**, the **Jefferson City Police Department**, **Cole County Sheriff's Department** and the **Boone County Sheriff's Department** each assumed no fiscal impact to their respective organizations from this proposal.

§1 - Courts that require e-filing:

CTS states the legislation allows all courts that allow mandatory e-filing to accept file and docket a notice of entry of appearance filed by an attorney that was sent by fax or regular file. This will require the purchase of at least 200 fax machines at a cost of \$150 each or \$30,000 plus additional unknown costs for clerk time as well as postage and additional paper for a total cost of over \$100,000.

Oversight assumes that CTS may incur additional expense in FY 2015 of under \$100,000. For fiscal years 2016 and beyond, Oversight assumes CTS is provided with core funding each year and can absorb the cost of clerk time and office supplies. Should they need additional funding in the future, they can seek funding through the appropriation process.

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ASSUMPTION ((continued)
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FISCAL IMPACT - State Government GENERAL REVENUE FUND	FY 2015 (10 Mo.)	FY 2016	FY 2017
Additional Revenue - 1% collection fee Section 67.585	\$0 or Up to \$21,000	\$0 or Up to \$21,000	\$0 or Up to \$21,000
Revenue reduction - sales tax exemption for right of first refusal fees Section 144.1030	(Unknown)	(Unknown)	(Unknown)
<u>Costs</u> - CTS - additional costs to accommodate Section 1	(Less than \$100,000)	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	Up to \$21,000 or (Unknown)	Up to \$21,000 or (Unknown)	Up to \$21,000 or (Unknown)
AGRICULTURE PROTECTION FUND			
	(\$31,700) (\$16,169) (\$12,400) (\$60,269) 1 FTE	(\$38,420) (\$19,596) (\$12,300) (\$70,316) 1 FTE	(\$38,805) (\$19,792) (\$12,608) (\$71,205) 1 FTE
FUND Costs - AGR § 262.960 Personal Service Fringe Benefits Expense and Equipment Total Costs - AGR	(\$16,169) (\$12,400) (\$60,269)	(\$19,596) (\$12,300) (\$70,316)	(\$19,792) (\$12,608) (\$71,205)

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Way 6, 2017			
FISCAL IMPACT - State Government (continued)	FY 2015 (10 Mo.)	FY 2016	FY 2017
BLIND PENSION FUND			
Revenue reduction - property tax exemptions Section 137.100	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON BLIND PENSION FUND	(Unknown)	(Unknown)	(Unknown)
PACARS FUND			
Revenue - \$4 Fine Collection Center Surcharge (§§56.807 & 488.026)	<u>\$434,025</u>	<u>\$520,830</u>	<u>\$520,830</u>
ESTIMATED NET EFFECT ON PACARS FUND	<u>\$434,025</u>	<u>\$520,830</u>	<u>\$520,830</u>
SCHOOL DISTRICT TRUST FUND			
Revenue reduction - sales tax exemption for right of first refusal fees Section 144.1030	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON SCHOOL DISTRICT TRUST FUND	<u>(Unknown)</u>	(Unknown)	(Unknown)
CONSERVATION COMMISSION FUND			
Revenue reduction - sales tax exemption for right of first refusal fees Section 144.1030	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON CONSERVATION COMMISSION FUND	(Unknown)	(Unknown)	(Unknown)
NM:LR:OD			

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ESTIMATED NET EFFECT ON ROAD FUND	(Unknown greater than <u>\$100,000)</u>	(Unknown greater than <u>\$100,000)</u>	(Unknown greater than \$100,000)
ROAD FUND Cost - DHT Increased maintenance cost (§304.190)	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)
ESTIMATED NET EFFECT ON PARKS, AND SOIL AND WATER FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
Revenue reduction - sales tax exemption for right of first refusal fees Section 144.1030	(Unknown)	(Unknown)	(Unknown)
PARKS, AND SOIL AND WATER FUND			
FISCAL IMPACT - State Government (continued)	FY 2015 (10 Mo.)	FY 2016	FY 2017
Way 6, 2014			

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FISCAL IMPACT - Local Government	FY 2015 (10 Mo.)	FY 2016	FY 2017
LOCAL POLITICAL SUBDIVISIONS			
Costs - Counties - Increased PACARS contribution (§§56.807 & 488.026)	(\$147,770)	(\$177,324)	(\$177,324)
Costs - Local Political Subdivisions - establishing and maintaining a local health department (§192.310)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Additional Revenue - recreation center sales and use tax Section 67.585	\$0 or Up to \$2,100,000	\$0 or Up to \$2,100,000	\$0 or Up to \$2,100,000
Revenue reduction - sales tax exemption for right of first refusal fees Section 144.1030	(Unknown)	(Unknown)	(Unknown)
Revenue reduction - property tax exemptions Section 137.100	(Unknown)	(Unknown)	(Unknown)
Cost - City of Columbia Increased maintenance cost (§304.190)	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)
Revenue - City of Kansas City - additional court fees (§488.2235)	\$996,645 to Unknown	\$996,645 to Unknown	\$996,645 to Unknown
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	(Unknown) to \$2,848,875	(Unknown) to \$2,819,321	(Unknown) to <u>\$2,819,321</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

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FISCAL DESCRIPTION

§§67.585, 137.100

The proposal would authorize, upon voter approval, the creation of a Recreational and Community Center District that includes only the area encompassed by the Liberty School District, and a sales tax not to exceed .5% on all retail sales made within the recreational and community center district for funding the construction, maintenance, operation, and purchase of equipment for community centers and other purposes of recreation and wellness as determined by the board.

The proposal would expand the charitable property exemption from property taxation to include homes for the aged operated by an organization that is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and consistent with Internal Revenue Service revenue ruling 72-124, if applicable.

The proposal would exempt from sales tax any fee for the right of first refusal to purchase or decline tickets for admission to events at the Sprint Center.

§192.310

This bill adds the City of St. Charles to those cities that are exempt from the provisions regarding the appointment of a county health officer if the city furnishes the Department of Health and Senior Services with reports of designated contagious, infectious, communicable, or dangerous diseases and other required statistical information.

§§ 262.960, 262.962, and 348.407 - Farm-to-School Act

This proposal establishes the Farm-to-School Program within the Department of Agriculture to connect Missouri farmers and schools in order to provide schools with locally grown agricultural products for inclusion in school meals and snacks and to strengthen local farming economies.

§304.190

This bill changes the laws regarding motor vehicle height and weight limits for the commercial zones in the city of Columbia. The bill creates a 15-foot height limitation and a 22,400 pound weight limitation for any motor vehicle within the commercial zone of Columbia. The commercial zone extends from the city limits along U.S. Highway 63 for 8 miles, and extends east from the city limits along State Route WW to the intersection of State Route J and continues south on State Route J for four miles.

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FISCAL DESCRIPTION (continued)

§488.2235

This bill allows the City of Kansas City to impose an additional court cost of up to \$5 for each municipal ordinance violation case filed before a municipal division judge or associate circuit judge. The judge may waive the assessment of the additional cost if the judge finds the defendant to be indigent and unable to pay the costs. The city can only use the additional costs for the restoration, maintenance, and upkeep of the municipal courthouse.

§§ 56.809 & 488.026 - PACARS:

Currently, each county treasurer must transfer a specified sum of money each month to the Prosecuting Attorneys and Circuit Attorneys' Retirement System Fund for use by the fund. Beginning August 28, 2015, the proposal requires that the county contribution be adjusted in accordance with the following schedule based on the retirement system's annual actuarial valuation report:

- (1) If the system's funding ratio is 120% or more, no monthly sum must be transmitted;
- (2) If the system's funding ratio is more than 110% but less than 120%, the monthly sum transmitted must be reduced 50%;
- (3) If the system's funding ratio is at least 90% and up to 110%, the monthly sum transmitted must remain the same;
- (4) If the system's funding ratio is at least 80% and less than 90%, the monthly sum transmitted must be increased 50%; and
- (5) If the system's funding ratio is less than 80%, the monthly sum transmitted must be increased 100%.

Currently, a surcharge of \$4 is assessed and collected in all criminal cases filed in court, including any violation of a county ordinance or any violation of the state's criminal or traffic laws, including infractions. The proposal adds any person who has pled guilty and paid a fine through a fine collection center to the list of those who are to be assessed the surcharge. In addition, the proposal allows prosecuting attorneys, in all counties that elect to make the position of prosecuting attorney a full-time position, to participate in the retirement system for prosecuting and circuit attorneys. The prosecutor is eligible for the same benefits as a full-time prosecutor in a county of the first classification.

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FISCAL DESCRIPTION (continued)

§1 - Courts:

Section 1 states that all courts that require mandatory e-filing must accept, file, and docket a notice of entry of appearance filed by an attorney that was sent by fax or regular mail.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Christian County

Department of Agriculture

Department of Health and Senior Services

Department of Elementary and Secondary Education

Office of Administration

University of Missouri

Department of Transportation

Department of Public Safety

City of Columbia

Central County Fire and Rescue District

Department of Insurance, Financial Institutions and Professional Registration

Missouri State University

University of Central Missouri

Department of Agriculture

Department of Health and Senior Services

Department of Natural Resources

Joint Committee on Administrative Rules

Department of Conservation

St. Louis County

St. Louis Board of Election Commission

Department of Revenue

Office of the Secretary of State

Kansas City Board of Election Commission

City of Jefferson

City of Kansas City

State Tax Commission

Department of Corrections

Department of Mental Health

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SOURCES OF INFORMATION (continued)

Department of Social Services

Missouri Veterans Commission

Office of the State Auditor

Office of the State Public Defender

Office of the Attorney General

Office of Prosecution Services

City of St. Charles

Metropolitan St. Louis Sewer District

Cole County

St. François County

Cole County Sheriff

Springfield Police Department

Prosecuting and Circuit Attorneys' Retirement System

Joint Committee on Public Employee Retirement

Office of the State Courts Administrator

Department of Economic Development

Clay County

University of Missouri - Economic and Policy Analysis Research Center

Special School District of St. Louis County

St. Louis County Assessor

City of St. Louis Assessor

Jackson County Assessor

State Emergency Management Agency

St. Charles County

Jackson County Sheriff

Columbia Police Department

Jefferson City Police Department

Boone County Sheriff

Mickey Wilson, CPA

Mickey Wilen

Director

May 8, 2014

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> Ross Strope Assistant Director May 8, 2014